

EXHIBIT 14

WORKFORCE INVESTMENT NOTICE: 99-18

SUBJECT: One-stop Memorandum of Understanding (MOU)

DATE: March 9, 2000

INTRODUCTION

For the first time in federal legislation, the Workforce Investment Act mandates the development of one-stop service delivery systems at the local level for delivery of workforce development services. The Act provides a long list of "required" programs and service delivery systems that must be accessible in the one-stop system. Section 4 of Workforce Investment Notice 99-17(Planning Guide for Local Plans), provides information on the definition of a one-stop system including federal and state requirements and also outlines the responsibilities of "required" one-stop partners.

Section 121(c) in Title I of the Act provides that every "required" one-stop partner enter into a Memorandum of Understanding (MOU) with the local workforce board that details how the one-stop partner will participate and provide services within the local one-stop delivery system. MOUs are considered part of the local plan as it relates to one-stop service delivery. MOUs must be negotiated and finalized prior to submission of the local five-year plan to the state.

The purpose of this section is to provide guidance to local elected officials, local workforce boards, local fiscal agents, and local one-stop partners regarding the development of MOUs. It is important to note that the Memorandum of Understanding is a legal contractual document as well as a document that is subject to the audit provisions of the Workforce Investment Act.

Parties to the Memorandum of Understanding

WIA requires that the local board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding (between the local board and the one-stop partners). Therefore, at a minimum, the parties that must participate in the development of MOUs are chief elected officials (as defined within each local area), the local board, and one-stop partners. Because the MOU will include fiscal issues associated with cost sharing and resource allocation among partners, it is highly recommended that the fiscal agent for the local area be a party to MOUs as well.

Contents of the Memorandum of Understanding

The Workforce Investment Act requires the following specific elements to be included in MOUs:

- the services of the one-stop partner to be provided through the one-stop system as defined by WIA, specifically the MOU should include the following information on service delivery:
 - ☐ the agreed one-stop approach/system design within the local area;
 - ☐ how services from the one-stop partner will be accessible in one-stop system; and
 - ☐ how core services will be provided in the one-stop system to the population served by the one-stop partner;
- how the costs of such services and the operating costs of the system will be funded; what resources and/or funds the one-stop partner will contribute; and cost sharing agreements among the one-stop partners;
- the methods of referral of individuals between the one-stop operator and the one-stop partners for the appropriate services and activities;
- the duration of the memorandum and the procedures for amending the memorandum.

In addition to the above required contents for the Memorandum of Understanding, local areas may include any other provisions that may be appropriate, given the specific design of the local one-stop system. Two important features of one-stop service delivery systems are the ability to share information among the partners and the ability to link technologically for purposes of service delivery, customer tracking and reporting, and performance accountability. Therefore, it is suggested that local areas consider including any agreements associated with information sharing and/or technology in the Memorandum of Understanding. A third area to consider including in the MOU is how training for front line staff providing services within the one-stop system will be provided - both initially and on an ongoing basis. In addition, if local areas choose to develop system wide measures of performance, it may be appropriate to indicate those within the MOU.

Process for Negotiating Memoranda of Understanding

There are several considerations as local areas approach the process of negotiating the Memorandum of Understanding.

1) **Timing:** All MOUs for the local area must be included as an addendum to the local five-year plan. Draft local plans must be available for public comment no later than _____2000.(TBD with locals) Therefore, all of the activities associated with designing a one-stop service delivery system, including negotiation of MOUs, will need to have been completed by that time.

2) **Umbrella v. Individual MOUs**: It is up to the local area to determine whether they want to develop separate MOUs with each individual one-stop partner or develop a single "umbrella" MOU that covers all of the one-stop partners. The requirements for content remain the same for either approach.

3) **State Level MOUs**: Different one-stop partners have different organizational structures for both administration and local service delivery. For example, the local service delivery structure for the Office of Rehabilitation Services that provides vocational rehabilitation services is state driven. Therefore, it may be desirable to have a statewide MOU rather than a different MOU for each local area. There are other programs where the structure may make this desirable as well. The *netWORKri* steering committee will review the MOU process and additional guidance will be provided if state MOUs are developed.

4) **Impasse Resolution**: Federal planning guidance issued to States for the implementation of WIA provides that any failure to execute an MOU between a local board and a required one-stop partner must be reported by the local board and the required partner to the Governor or the State Board and the State agency responsible for administering the partner's program. In turn, if there is no resolution, the Governor, the State Board, and the State agency are required to notify the Secretary of Labor and the head of any other Federal agency with responsibility for oversight of a partner's program. If the impasse is not resolved and no MOU is executed, the one-stop partner may not serve on the local board and the local area is not eligible for State incentive grants awarded on the basis of local coordination of activities.

ATTACHMENTS

- 1 - One stop Memorandum of Understanding Format
- 2 - Sample MOU
- 3 - Cost Allocation

ATTACHMENT 1

ONE-STOP MEMORANDUM OF UNDERSTANDING FORMAT GUIDE

NOTE: THIS MOU GUIDE HAS BEEN INCLUDED TO ILLUSTRATE THE VARIOUS COMPONENTS OUTLINED IN AN MOU. LOCAL BOARDS CAN ADD, DELETE, AND/OR MODIFY THESE COMPONENTS TO MEET THEIR SPECIFIC NEEDS.

Agreement between Local Workforce Investment Board (LWIB)
and Participating Agencies within a Service Delivery System

I. Heading - (A MEMORANDUM OF UNDERSTANDING)

II. Purpose (*Recommended*)

(Recommendations for Content)

- A Provide introduction
- B State the strategic vision (relates to State Plan)
- C Offer a statement of mutual benefit for participating in One-stop. *(Show how value is added to both you and the One-stop system by your presence.)*

III Provision of Customer Services (*Required*)

(Recommendations for Content)

- A List the participating partners
- B List services provided through the local **netWORKri** One-stop Delivery System (Core, intensive, training)

CORE SERVICES:

1. determination of individual eligibility for service;
2. outreach, intake (including worker profiling) and orientation to the information and other services available through the **netWORKri** delivery system;
3. initial assessment of skills levels, aptitudes, abilities, and supportive service needs;
4. job search and placement assistance, career counseling where appropriate;
5. provision of employment statistics information and labor market information such as job vacancy listings, job skills necessary to obtain jobs, local in demand occupations, earnings, and skill requirements;

6. provision of performance information and program cost information on eligible providers of training services;
7. provision of information regarding local area performance on the local performance measures;
8. provision of accurate information relating to the availability of supportive services available in the local area;
9. provision of information regarding filing claims for unemployment compensation;
10. assistance in establishing eligibility for welfare-to work activities and programs of financial aid assistance for training and education programs;
11. follow-up services, including counseling regarding the workplace, for WIA participants who are placed in unsubsidized employment for not less than 12 months after the first day of the employment; and
12. Other core services as determined by a partner agency's governing legislation.

INTENSIVE SERVICES

1. comprehensive and specialized assessments of the skill levels;
2. development of an individual employment plan to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the participant to achieve the individual's employment goals;
3. group counseling
4. individual counseling and career planning;
5. case management for participants seeking training services;
6. short-term prevocational skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training; and
7. Other intensive services as determined by a partner agency's governing legislation.

TRAINING SERVICES

1. occupational skills training, including training for nontraditional employment;
2. on-the-job training;
3. programs that combine workplace training with related instruction that may include cooperative education;
4. training programs operated by the private sector;
5. skills upgrading and retraining;
6. entrepreneurial training;
7. job readiness training;
8. adult education and literacy activities provided in combination with services described in items 1-7 above; and
9. customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training; and

10. Other training services as determined by a partner agency's governing legislation.
- C List any services with eligibility criteria (Vocational Rehabilitation; Basic Education; Dislocated Workers; *Indian, Native Hawaiian, Native Alaskan, Others) *Section 166 in the regulations.
- D List services that will be made available to employers

IV Referral Methods *(Required)*

(Recommendations for Content)

- A Describe referrals among Partner Agencies (Quality Referrals)
- B Describe referrals with Non-Partner Agencies
- C Describe Satellite Site Referrals

V Universal Access *(Recommended)*

(Recommendations for Content)

- A Describe partners' conformance with ADA and Section 504 of the Rehabilitation Act to meet the employment and training needs of customers with disability-related barriers.
- B Explain partners' efforts to meet the Employment and training needs of culturally diverse customers.

VI Organizational Requirements *(Recommended)*

(Recommendations for Content)

- A Describe Local Chief Elected Official's, Local Workforce Investment Board's (LWIB), and Partner Agencies' relationships and responsibilities
- B List staffing of the Local Workforce Board
- C List the staffing of the One-stop Centers
- D Explain the supervision of partner staff
- E Describe Interagency cross-training
- F Explain any technical assistance offered by partners
- G Describe responsibility for audits and monitoring
- H Describe how complaints and incident reports, and EEO will be handled
- I Describe how requests for information will be handled

- J Explain how Logo(s) is chosen and agreed upon, in addition to state and federal logos for one-stop centers
- K Describe the various financial matters (cash drawdown procedures; petty cash account; accounting method; procurement method)
- L Describe the management information systems
- M Describe partner program decisions
- N Describe "organizational" case management (lead agency, training plan agreements, case notes, etc.)

VII Data Collection *(Recommended)*

(Recommendations for Content)

- A Name data sources (customers, employers, medical, etc)
- B Explain the methods of how data is obtained
- C Describe any confidentiality issues (privacy, release of information)
- D Describe the exchange of data (what can be shared, and how?)
- E List electronic protocols for data exchange
- F List kinds of documentation (what is required?, what is available?, a matrix?)
- G List aggregated data

VIII Reporting *(Recommended)*

(Recommendations for Content)

- A Outline performance requirements and goals
- B Describe "how" each partner will meet performance
- C Describe **what** will be reported, **who** will report it, and **when** it will be reported.

IX Funding *(Required)*

(Recommendations for Content)

- A Explain partner program funds (funding sources; target groups; grant recipients (which organizations have fiscal responsibility); services provided; and if through one-stop, partner agency or both; restrictions)
- B Shared Operating Costs (Direct, Indirect. and who pays)
- C Cost Allocation (Methodology, Approval and Modification process, Accounting, and Reporting)

- D List any "purchase of services" from One-stop partners

X Period *(Required)*

(Recommendations for Content)

- A Specify the Agreement's duration
- B Specify any termination provisions
- C Define any extension provisions
- D Define any amendment provisions
- E Specify Resolution of Differences Regarding the MOU

XI List of Addenda and Appendices (Recommended)

(Recommendations for Content)

- A Provide a glossary of terms
- B Create a matrix of services by partner(s)
- C Attach Independent Center Agreements
- D Develop matrix of program funds
- E Develop matrix of direct and indirect costs (can be added to service matrix)

XII Signatures *(Required)*

The Chief Elected Official, the Chair of the local workforce board, and the required one-stop partner(s) must sign the MOU, at a minimum. If the MOU contains cost allocation provisions, the fiscal agent is a required signatory as well. The signature page should include the signature, title, agency, and date for each signatory.

SAMPLE

The wording in this sample may or may not be appropriate for a particular Local Board and is being provided strictly as an example.

I. **MEMORANDUM OF UNDERSTANDING BETWEEN THE LOCAL WORKFORCE INVESTMENT BOARD AND THE DEPARTMENT OF LABOR AND TRAINING.**

II. **PURPOSE**

The purpose of this agreement is to promote maximum cooperation and collaboration between the LWIB and the DLT and to set for the relative responsibilities of the parties insofar as they relate to duties, obligations, and responsibilities under the Workforce Investment Act with regard to the following programs that DLT operates through the Providence **netWORKri** One-Stop Center.

Workforce Investment Act Title I Programs for Adult, Youth, and Dislocated Workers

Employment Service Programs

Trade Adjustment Assistance Programs and NAFTA Programs

Veterans Employment and Training Programs

Unemployment Insurance Program

Migrant and Seasonal Farmworker Programs

III. **PROVISION OF CUSTOMER SERVICE**

Workforce Investment Act Title I Programs for Adult, Youth, and Dislocated Workers

Core Services (List services and who will provide them)

Intensive Services (List services and who will provide them)

Training Services (List services and what entity will provide them)

The Employment Service

All ES functions including the labor exchange service will be provided by ES staff located at the Providence **netWORKri** center. All costs associated with these activities will be allocated as follows:

Trade Adjustment Assistance Programs and NAFTA Programs

NetWORKri staff will assess and help develop a career plan for NAFTA/TAA eligible individuals. In addition the **netWORKri** staff will provide access to the full

array of services including intake, assessment, case management, and training for individuals participating in the program. Costs associated with these services will be allocated as follows:

Veterans Employment and Training Programs

The LVER located in the Providence *netWORKri* center has the responsibility for the DVOP. The program provides outreach and informational activities to develop and promote job opportunities, job training and educational opportunities for veterans. The Department of Labor & Training will assume all costs associated with these services.

Unemployment Insurance Program

Rhode Island has instituted and automated telephone call in system for the filing of initial and on-going unemployment claims. The Providence *netWORKri* center will have a dedicated telephone line for filing claims for individuals who cannot or choose not to file their claim from a phone outside of the *netWORKri* center. Additionally, when a UI claim is filed, information will be collected and electronically transferred to the appropriate staff to expose claimants to job listings. The Unemployment Insurance Division will assume all of the costs associated with this program.

Migrant and Seasonal Farmworker Programs

Appropriate staff located in the Providence *netWORKri* center will provide outreach and informational activities to develop and promote job opportunities, job training and educational opportunities for migrant and seasonal farmworkers. Wagner-Payser funds will support this activity.

IV. METHODS OF REFERRAL

The first point of contact shall initiate the referral of clients who enter the netWORKri center. Clients seeking specific services will be referred to appropriate staff administering those services. Upon completion of the required common application, clients will be entered into the electronic tracking system that will provide basic intake information for all programs with the exception of UI claims. Referrals for
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V. UNIVERSAL ACCESS

Since the *netWORKri* center will be providing universal access, all partners must insure compliance with ADA and the provisions of Section 504 of the Rehabilitation Act in order to

VI. ORGANIZATIONAL REQUIREMENTS

See A-N of the MOU Guide included as Attachment I and describe as appropriate.

VII. DATA COLLECTION

See A-G of the MOU Guide included as Attachment #1 and describe as appropriate.

VIII. REPORTING

See A-C of the MOU Guide included as Attachment #1 and describe as appropriate.

IX. FUNDING

See A-D of the MOU Guide included as Attachment #1 and describe as appropriate. Also, refer to the Cost allocation Guide included as Attachment #3.

X. DURATION OF AGREEMENT

The Agreement will commence on the 1st day of July 2000 and shall be ongoing with the provision that either party may terminate the Agreement by providing a 60 day written notice to the other party.

XI. LIST OF ADDENDA AND APPENDICIES

- A. **Procedures for Amendment**: An amendment to the MOU can take place at anytime both parties are in agreement. The amendment must be in writing, signed by the appropriate parties and attached to the original agreement. If an amendment is proposed by one party and opposed by the other, an open discussion among both parties will take place in an attempt to reach consensus. If such agreement cannot be reached the State Workforce Investment Office and/or the Workforce Investment Act Oversight Committee will serve as an intermediary and render a final decision.
- B. **General Provisions**: It is understood by the LWIB and the DLT that each should be able to fulfill its responsibilities under this Agreement in accordance with the provisions of the Law and Regulation that govern their respective activities. Nothing in this agreement is intended to negate or otherwise render ineffective any such provisions or operating procedures. If at any time either party is unable to perform its functions under this agreement consistent with such party's statutory and regulatory mandates, the affected party shall immediately provide written notice to the other to establish a date for mutual resolution of the conflict.

XII. SIGNATURES

ATTACHMENT 3

COST ALLOCATION

General Principles

The Act and regulations give authority to the LWIBs to negotiate MOUs with the partners, establishing how services will be delivered and costs will be paid. Having the authority to negotiate these terms provides some latitude for discretion in determining how to share costs, as long as the basis (method) used for cost sharing is compatible with the governing provisions in WIA, other partners' legislation, and the OMB Circulars¹

The WIA and its implementing regulations establish, as a starting point, the expectation that partners will share proportionately in the costs of the one-stop system. This means that each partner will contribute services and/or pay for costs comparable in amount to the value of benefits received in return. Some exceptions to this general principle are discussed below.

A partner can only pay for costs that are both allowable and allocable to that partner's fund source. Allowable costs are defined in each partner's enabling legislation and regulations, as well as in the OMB Circulars. The allocability of costs is governed by the OMB Circulars, which generally prescribe that costs are allocable to a fund source or cost objective to the extent of benefits received. The MOU should identify an appropriate basis or method for allocating costs. There are several bases to choose from, and the choice will vary depending on the type of costs involved, how efficient the base is to use, the availability of documentation to support the allocation, and other factors.

What Services and Costs will be Shared?

The methods used to allocate costs should match the types of services and costs that will be shared in the one-stop center. For example, if the partners are only sharing space, the method used to determine relative benefits received or "fair share" can be as simple as using square footage as the basis for allocation. On the other hand, if the partners are providing joint services through a seamless service delivery system, then the question becomes more complex. While there is no best or definitive answer to the question of which basis to use, the following guidelines should help in making this decision at the local level.

¹ OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments.
OMB Circular A-122 Cost Principles for Nonprofit Organizations
OMB Circular A-102 Grants and Cooperative Agreements with State and Local Governments.
OMB Circular A-110 Uniform Administrative Requirements for Grants and Order Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations.
OMB Circular A-133 Audits of States, Local Governments and Nonprofit Organizations

When is proportionate cost sharing not necessary?

As noted above, there are exceptions to the general principle requiring that costs be shared proportionately among the partners. When such an exception does exist for one or more partners in the one-stop center, the LWIB is not bound by rules on cost allocation for that partner's funds and has more discretion in negotiating the provision and cost of services. These exceptions include the following:

- **Unrestricted Funds:** may be used to pay for any negotiated portion of the costs, since there are no restrictions on the type or amount of costs these funds may pay for. Examples of unrestricted funds may include local general revenue funds; not-for-profit organizations' unrestricted fund accounts, and funds of for-profit organizations.
- **Partially Restricted Funds:** may be used to provide allowable services to the general population. Usually, the types of allowable services are restricted, but who is eligible to receive the services is not restricted. Examples of partially restricted funds include the Wagner-Peyser program that provides labor exchange services to all employers and job seekers and restricted corporate funds that may partially limit the services to be provided for those services.
- **Costs Fully Allowable to More Than One Fund Source:** may be paid, per the OMB Circulars, in part or in whole by one of the affected fund sources without regard to the rules on cost allocation. For example, if a service is allowable under WIA as well under the Welfare-to Work (WTW) program, and that service is provided to a person or employer who is eligible to receive services under either fund source, the cost of that service may be paid in full by WIA, or in full by WTW, or in any other portions negotiated between the two fund sources.
- **Immaterial Costs:** represent those costs that are so minor in amount they do not need to be allocated.

How to Support the Fairness of Cost Negotiation

When the exceptions to the rules on cost allocation do not apply, then the LWIB should negotiate each partner's share of the costs in a way that promotes the principle of proportionate cost sharing. To accomplish this, the LWIB should be able to support the fairness of the negotiated amounts by using an appropriate cost allocation method or base. There are several bases for allocation to choose from, and the best base is one that allocates costs equitably to the partners. Some examples of appropriate bases are contained in materials prepared by the Office of Cost Negotiation and in the Employment and Training Administration's cost allocation TAG entitled, "Sharing Resources to Provide Integrated Services."

The SWIO will be obtaining copies of this TAG and I will forward them to you upon receipt.